

108TH CONGRESS  
1ST SESSION

# H. R. 2417

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## AN ACT

To authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
 2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
 5       “Intelligence Authorization Act for Fiscal Year 2004”.

6       (b) TABLE OF CONTENTS.—The table of contents for  
 7       this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.

Sec. 102. Classified schedule of authorizations.

Sec. 103. Personnel ceiling adjustments.

Sec. 104. Intelligence Community Management Account.

Sec. 105. Intelligence elements of the Department of the Treasury.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND  
 DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

Sec. 301. Increase in employee compensation and benefits authorized by law.

Sec. 302. Restriction on conduct of intelligence activities.

Subtitle B—Intelligence

Sec. 311. Modification of notice and wait requirements on projects to construct  
 or improve intelligence community facilities.

Subtitle C—Counterintelligence

Sec. 321. Counterintelligence initiatives for the intelligence community.

Subtitle D—Other Matters

Sec. 331. Extension of suspension of reorganization of Diplomatic Tele-  
 communications Service Program Office.

Sec. 332. Modifications of authorities on explosive materials.

Sec. 333. Modification of prohibition on the naturalization of certain persons.

Sec. 334. Modification to definition of financial institution in the Right to Fi-  
 nancial Privacy Act.

Sec. 335. Procedural requirements for Central Intelligence Agency relating to  
 products of Federal prison industries.

Sec. 336. Improvement of information sharing among federal, State, and local  
 government officials.

Sec. 337. Improvement of recruitment, hiring and retention of ethnic and cultural minorities in the intelligence community.

Subtitle E—Reports and Technical Amendments

Sec. 341. Extension of deadline for final report of the National Commission for the Review of the Research and Development Programs of the United States Intelligence Community.

Sec. 342. Modification of various reports required of intelligence community elements.

Sec. 343. Technical amendments.

Sec. 344. Report on lessons learned from military operations in Iraq.

Sec. 345. Modification of terrorist identification classification system.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Protection from tort liability for certain Central Intelligence Agency personnel.

Sec. 402. Repeal of limitation on use of funds in Central Services Working Capital Fund.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

Sec. 501. Use of funds for counterdrug and counterterrorism activities for Colombia.

Sec. 502. Authority to provide living quarters for certain students in cooperative and summer education programs of the National Security Agency.

Sec. 503. Authority for intelligence community elements of Department of Defense to award personal service contracts.

Sec. 504. Protection of certain National Security Agency personnel from tort liability.

Sec. 505. Measurement and signatures intelligence program.

# 1                   **TITLE I—INTELLIGENCE** 2                   **ACTIVITIES**

## 3   **SEC. 101. AUTHORIZATION OF APPROPRIATIONS.**

4           Funds are hereby authorized to be appropriated for  
5   fiscal year 2004 for the conduct of the intelligence and  
6   intelligence-related activities of the following elements of  
7   the United States Government:

8                   (1) The Central Intelligence Agency.

9                   (2) The Department of Defense.

10                  (3) The Defense Intelligence Agency.

11                  (4) The National Security Agency.

1 (5) The National Reconnaissance Office.

2 (6) The National Imagery and Mapping Agen-  
3 cy.

4 (7) The Department of the Army, the Depart-  
5 ment of the Navy, and the Department of the Air  
6 Force.

7 (8) The Department of State.

8 (9) The Department of the Treasury.

9 (10) The Department of Energy.

10 (11) The Department of Justice.

11 (12) The Federal Bureau of Investigation.

12 (13) The Department of Homeland Security.

13 (14) The Coast Guard.

14 **SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.**

15 (a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL  
16 CEILINGS.—The amounts authorized to be appropriated  
17 under section 101, and the authorized personnel ceilings  
18 as of September 30, 2004, for the conduct of the intel-  
19 ligence and intelligence-related activities of the elements  
20 listed in such section, are those specified in the classified  
21 Schedule of Authorizations prepared to accompany the bill  
22 H.R. 2417 of the One Hundred Eighth Congress.

23 (b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AU-  
24 THORIZATIONS.—The Schedule of Authorizations shall be  
25 made available to the Committees on Appropriations of

1 the Senate and House of Representatives and to the Presi-  
2 dent. The President shall provide for suitable distribution  
3 of the Schedule, or of appropriate portions of the Sched-  
4 ule, within the executive branch.

5 **SEC. 103. PERSONNEL CEILING ADJUSTMENTS.**

6 (a) **AUTHORITY FOR ADJUSTMENTS.**—With the ap-  
7 proval of the Director of the Office of Management and  
8 Budget, the Director of Central Intelligence may authorize  
9 employment of civilian personnel in excess of the number  
10 authorized for fiscal year 2004 under section 102 when  
11 the Director of Central Intelligence determines that such  
12 action is necessary to the performance of important intel-  
13 ligence functions, except that the number of personnel em-  
14 ployed in excess of the number authorized under such sec-  
15 tion may not, for any element of the intelligence commu-  
16 nity, exceed 2 percent of the number of civilian personnel  
17 authorized under such section for such element.

18 (b) **NOTICE TO INTELLIGENCE COMMITTEES.**—The  
19 Director of Central Intelligence shall notify promptly the  
20 Permanent Select Committee on Intelligence of the House  
21 of Representatives and the Select Committee on Intel-  
22 ligence of the Senate whenever the Director exercises the  
23 authority granted by this section.

1 **SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT AC-**  
2 **COUNT.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—There is  
4 authorized to be appropriated for the Intelligence Commu-  
5 nity Management Account of the Director of Central Intel-  
6 ligence for fiscal year 2004 the sum of \$192,640,000.  
7 Within such amount, funds identified in the classified  
8 Schedule of Authorizations referred to in section 102(a)  
9 for the Advanced Research and Development Committee  
10 shall remain available until September 30, 2005.

11 (b) AUTHORIZED PERSONNEL LEVELS.—The ele-  
12 ments within the Intelligence Community Management  
13 Account of the Director of Central Intelligence are author-  
14 ized 320 full-time personnel as of September 30, 2004.  
15 Personnel serving in such elements may be permanent em-  
16 ployees of the Intelligence Community Management Ac-  
17 count or personnel detailed from other elements of the  
18 United States Government.

19 (c) CLASSIFIED AUTHORIZATIONS.—

20 (1) AUTHORIZATION OF APPROPRIATIONS.—In  
21 addition to amounts authorized to be appropriated  
22 for the Intelligence Community Management Ac-  
23 count by subsection (a), there are also authorized to  
24 be appropriated for the Intelligence Community  
25 Management Account for fiscal year 2004 such addi-  
26 tional amounts as are specified in the classified

1       Schedule of Authorizations referred to in section  
2       102(a). Such additional amounts shall remain avail-  
3       able until September 30, 2004.

4               (2) AUTHORIZATION OF PERSONNEL.—In addi-  
5       tion to the personnel authorized by subsection (b)  
6       for elements of the Intelligence Community Manage-  
7       ment Account as of September 30, 2004, there are  
8       hereby authorized such additional personnel for such  
9       elements as of that date as are specified in the clas-  
10      sified Schedule of Authorizations.

11       (d) REIMBURSEMENT.—Except as provided in section  
12      113 of the National Security Act of 1947 (50 U.S.C.  
13      404h), during fiscal year 2004 any officer or employee of  
14      the United States or a member of the Armed Forces who  
15      is detailed to the staff of the Intelligence Community Man-  
16      agement Account from another element of the United  
17      States Government shall be detailed on a reimbursable  
18      basis, except that any such officer, employee, or member  
19      may be detailed on a nonreimbursable basis for a period  
20      of less than one year for the performance of temporary  
21      functions as required by the Director of Central Intel-  
22      ligence.

23       (e) NATIONAL DRUG INTELLIGENCE CENTER.—

24               (1) IN GENERAL.—Of the amount authorized to  
25      be appropriated in subsection (a), \$34,248,000 shall

1 be available for the National Drug Intelligence Cen-  
2 ter. Within such amount, funds provided for re-  
3 search, development, testing, and evaluation pur-  
4 poses shall remain available until September 30,  
5 2005, and funds provided for procurement purposes  
6 shall remain available until September 30, 2006.

7 (2) TRANSFER OF FUNDS.—The Director of  
8 Central Intelligence shall transfer to the Attorney  
9 General funds available for the National Drug Intel-  
10 ligence Center under paragraph (1). The Attorney  
11 General shall utilize funds so transferred for the ac-  
12 tivities of the National Drug Intelligence Center.

13 (3) LIMITATION.—Amounts available for the  
14 National Drug Intelligence Center may not be used  
15 in contravention of the provisions of section  
16 103(d)(1) of the National Security Act of 1947 (50  
17 U.S.C. 403–3(d)(1)).

18 (4) AUTHORITY.—Notwithstanding any other  
19 provision of law, the Attorney General shall retain  
20 full authority over the operations of the National  
21 Drug Intelligence Center.



1   **SEC. 105. INTELLIGENCE ELEMENTS OF THE DEPARTMENT**  
2                           **OF THE TREASURY.**

3           (a) IN GENERAL.—(1) Title I of the National Secu-  
4 rity Act of 1947 (50 U.S.C. 402 et seq.) is amended by  
5 adding at the end the following new section:

6   “BUREAU OF INTELLIGENCE AND ENFORCEMENT OF THE  
7                           DEPARTMENT OF THE TREASURY

8           “SEC. 119. (a) IN GENERAL.—There is within the  
9 Department of the Treasury a Bureau of Intelligence and  
10 Enforcement headed by an Assistant Secretary for Intel-  
11 ligence and Enforcement, who shall be appointed by the  
12 President, by and with the advice and consent of the Sen-  
13 ate.

14           “(b) RESPONSIBILITIES.—(1) The Assistant Sec-  
15 retary for Intelligence and Enforcement shall oversee and  
16 coordinate functions of the Bureau of Intelligence and En-  
17 forcement.

18           “(2) The Assistant Secretary shall report directly to  
19 the Secretary of the Treasury.

20           “(c) COMPOSITION OF BUREAU.—The Bureau of In-  
21 telligence and Enforcement shall consist of the following  
22 offices:

23                   “(1) The Office of Intelligence Support.

24                   “(2) The Office of Foreign Assets Control.

25                   “(3) The Financial Crimes Enforcement Net-  
26 work.

1           “(4) Such other offices as the Assistant Sec-  
2       retary may establish.”.

3       (2) The table of contents contained in the first sec-  
4       tion of such Act is amended by inserting after the item  
5       relating to section 118 the following new item:

          “Sec. 119. Bureau of Intelligence and Enforcement of the Department of the  
              Treasury.”.

6       (b) CONSULTATION WITH DCI IN APPOINTMENT OF  
7       ASSISTANT SECRETARY FOR INTELLIGENCE AND EN-  
8       FORCEMENT.—Section 106(b)(2) of such Act (50 U.S.C.  
9       403–6(b)(2)) is amended by adding at the end the fol-  
10      lowing new subparagraph:

11           “(E) The Assistant Secretary for Intelligence  
12      and Enforcement.”.

13      (c) CONFORMING AMENDMENTS.—(1) Section 3(4) of  
14      such Act (50 U.S.C. 401a(4)) is amended—

15           (A) by striking “the Department of the Treas-  
16      ury,” in subparagraph (H);

17           (B) by striking “and” at the end of subpara-  
18      graph (J);

19           (C) by redesignating subparagraph (K) as sub-  
20      paragraph (L); and

21           (D) by inserting after subparagraph (J) the fol-  
22      lowing new subparagraph:

1 “(K) the Bureau of Intelligence and En-  
2 forcement of the Department of the Treasury;  
3 and”.

4 (2) Section 5315 of title 5, United States Code, is  
5 amended in the item relating to Assistant Secretaries of  
6 the Treasury by striking “(7)” and inserting “(8)”.

7 **TITLE II—CENTRAL INTEL-**  
8 **LIGENCE AGENCY RETIRE-**  
9 **MENT AND DISABILITY SYS-**  
10 **TEM**

11 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

12 There is authorized to be appropriated for the Cen-  
13 tral Intelligence Agency Retirement and Disability Fund  
14 for fiscal year 2004 the sum of \$226,400,000.

15 **TITLE III—GENERAL**  
16 **PROVISIONS**  
17 **Subtitle A—Recurring General**  
18 **Provisions**

19 **SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND**  
20 **BENEFITS AUTHORIZED BY LAW.**

21 Appropriations authorized by this Act for salary, pay,  
22 retirement, and other benefits for Federal employees may  
23 be increased by such additional or supplemental amounts  
24 as may be necessary for increases in such compensation  
25 or benefits authorized by law.

1 **SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE**  
2 **ACTIVITIES.**

3 The authorization of appropriations by this Act shall  
4 not be deemed to constitute authority for the conduct of  
5 any intelligence activity which is not otherwise permitted  
6 under the Constitution or authorized pursuant to the laws  
7 of the United States.

8 **Subtitle B—Intelligence**

9 **SEC. 311. MODIFICATION OF NOTICE AND WAIT REQUIRE-**  
10 **MENTS ON PROJECTS TO CONSTRUCT OR IM-**  
11 **PROVE INTELLIGENCE COMMUNITY FACILI-**  
12 **TIES.**

13 (a) INCREASE OF THRESHOLDS FOR NOTICE.—Sec-  
14 tion 602(a) of the Intelligence Authorization Act for Fiscal  
15 Year 1995 (Public Law 103–359; 108 Stat. 3432; 50  
16 U.S.C. 403–2b(a)) is amended—

17 (1) by striking “\$750,000” each place it ap-  
18 pears and inserting “\$5,000,000”;

19 (2) by striking “\$500,000” each place it ap-  
20 pears and inserting “\$1,000,000”; and

21 (3) in paragraph (2), as amended by paragraph  
22 (2) of this subsection, by inserting after  
23 “\$1,000,000” the second place it appears, the fol-  
24 lowing: “but less than \$5,000,000”.

25 (b) NOTICE AND WAIT REQUIREMENTS FOR EMER-  
26 GENCY PROJECTS.—Section 602(b)(2) of the Intelligence

1 Authorization Act for Fiscal Year 1995 (Public Law 103–  
 2 359; 108 Stat. 3432; 50 U.S.C. 403–2b(b)(2)) is  
 3 amended—

4 (1) in the third sentence, by striking “21-day”  
 5 and inserting “7-day”; and

6 (2) by adding at the end the following new sen-  
 7 tence: “Notwithstanding the preceding provisions of  
 8 this paragraph, when the Director of Central Intel-  
 9 ligence and Secretary of Defense jointly determine  
 10 that an emergency relating to the national security  
 11 or to the protection of health, safety, or environ-  
 12 mental quality exists and that delay would irrep-  
 13 arably harm any or all of those interests, the project  
 14 may begin on the date the notification is received by  
 15 such committees.”.

## 16 **Subtitle C—Counterintelligence**

### 17 **SEC. 321. COUNTERINTELLIGENCE INITIATIVES FOR THE** 18 **INTELLIGENCE COMMUNITY.**

19 (a) IN GENERAL.—(1) Title XI of the National Secu-  
 20 rity Act of 1947 (50 U.S.C. 401 et seq.) is amended by  
 21 adding at the end the following new section:

22 “COUNTERINTELLIGENCE INITIATIVES

23 “SEC. 1102. (a) INSPECTION PROCESS.—(1) In order  
 24 to protect intelligence sources and methods from unau-  
 25 thorized disclosure, the Director of Central Intelligence  
 26 shall establish and implement an inspection process for all

1 agencies and departments of the United States that han-  
2 dle classified information relating to the national security  
3 of the United States intended to assure that those agen-  
4 cies and departments maintain effective operational secu-  
5 rity practices and programs directed against counterintel-  
6 ligence activities.

7 “(2) The Director shall carry out the process through  
8 the Office of the National Counterintelligence Executive.

9 “(b) FBI COUNTERINTELLIGENCE OFFICE.—The  
10 Attorney General, acting through the Director of the Fed-  
11 eral Bureau of Investigation, shall establish an Office of  
12 Counterintelligence within the Bureau to investigate po-  
13 tential espionage activities within the Bureau.

14 “(c) ANNUAL REVIEW OF DISSEMINATION LISTS.—  
15 (1) The Director of Central Intelligence shall establish and  
16 implement a process for all elements of the intelligence  
17 community (as defined in section 101(4)) to review, on  
18 an annual basis, individuals included on distribution lists  
19 for access to classified information. Such process shall en-  
20 sure that only individuals who have a particularized ‘need  
21 to know’ (as determined by the Director) are continued  
22 on such distribution lists.

23 “(2) Not later than October 15 of each year, the Di-  
24 rector shall certify to the congressional intelligence com-  
25 mittees that the review required under paragraph (1) has

1 been conducted in all elements of the intelligence commu-  
2 nity during the preceding fiscal year.

3 “(d) REQUIRED COMPLETION OF FINANCIAL DIS-  
4 CLOSURE STATEMENTS.—(1) The Director of Central In-  
5 telligence shall establish and implement a process by which  
6 heads of the elements of the intelligence community (as  
7 defined in section 101(4)) direct that all employees, in  
8 order to be granted access to classified information, sub-  
9 mit financial disclosure forms required under section  
10 1.3(b) of Executive Order No. 12969 (August 2, 1995;  
11 60 F.R. 40245; 50 U.S.C. 435 note).

12 “(2) The Director shall carry out paragraph (1)  
13 through the Office of the National Counterintelligence Ex-  
14 ecutive.

15 “(e) ARRANGEMENTS TO HANDLE SENSITIVE IN-  
16 FORMATION.—The Director of Central Intelligence shall  
17 establish, for all elements of the intelligence community  
18 (as defined in section 101(4)), programs and procedures  
19 by which sensitive classified information relating to human  
20 intelligence is safeguarded against unauthorized disclosure  
21 by employees of those elements.”.

22 (2) The table of contents contained in the first sec-  
23 tion of such Act is amended in the items relating to title  
24 XI by adding at the end the following new item:

“Sec. 1102. Counterintelligence initiatives.”.

1 (b) INTELLIGENCE AND NATIONAL SECURITY AS-  
 2 PECTS OF ESPIONAGE PROSECUTIONS.—The Attorney  
 3 General, acting through the Office of Intelligence Policy  
 4 and Review of the Department of Justice, in consultation  
 5 with the Office of the National Counterintelligence Execu-  
 6 tive, shall establish policies and procedures to assist the  
 7 Attorney General in the Attorney General’s consideration  
 8 of intelligence and national security equities in the devel-  
 9 opment of charging documents and related pleadings in  
 10 espionage prosecutions.

## 11 **Subtitle D—Other Matters**

### 12 **SEC. 331. EXTENSION OF SUSPENSION OF REORGANIZA-** 13 **TION OF DIPLOMATIC TELECOMMUNI-** 14 **CATIONS SERVICE PROGRAM OFFICE.**

15 Section 311 of the Intelligence Authorization Act for  
 16 Fiscal Year 2002 (Public Law 107–108; 115 Stat. 1401;  
 17 22 U.S.C. 7301 note), as amended by section 351 of the  
 18 Intelligence Authorization Act for Fiscal Year 2003 (Pub-  
 19 lic Law 107–306; 116 Stat. 2401; 22 U.S.C. 7301 note),  
 20 is amended—

- 21 (1) in the heading, by striking “**TWO-YEAR**”  
 22 before “**SUSPENSION OF REORGANIZATION**”; and
- 23 (2) in the text, by striking “ending on October  
 24 1, 2003” and inserting “ending on the date that is  
 25 60 days after the date on which appropriate congres-



1 sional committees of jurisdiction (as defined in sec-  
2 tion 324(d) of that Act (22 U.S.C. 7304(d)) are no-  
3 tified jointly by the Secretary of State (or the Sec-  
4 retary's designee) and the Director of the Office of  
5 Management and Budget (or the Director's des-  
6 ignee) that the operational framework for the office  
7 has been terminated”.

8 **SEC. 332. MODIFICATIONS OF AUTHORITIES ON EXPLOSIVE**  
9 **MATERIALS.**

10 (a) **AUTHORITY TO DISTRIBUTE EXPLOSIVE MATE-**  
11 **RIALS TO QUALIFIED ALIENS.**—Notwithstanding any  
12 other provision of law, it shall be lawful for any person  
13 knowingly to distribute explosive materials to any qualified  
14 alien—

15 (1) if, in the case of a qualified alien described  
16 in subsection (c)(1), the distribution to, shipment to,  
17 transportation to, receipt by, or possession by the  
18 alien of the explosive materials is in furtherance of  
19 such cooperation; or

20 (2) if, in the case of a qualified alien described  
21 in subsection (c)(2), the distribution to, shipping to,  
22 transporting to, possession by, or receipt by the  
23 alien of explosive materials is in furtherance of the  
24 authorized military purpose.

1       (b) AUTHORITY FOR QUALIFIED ALIENS TO SHIP  
2 EXPLOSIVE MATERIALS.—Notwithstanding any other pro-  
3 vision of law, it shall be lawful for a qualified alien to ship  
4 or transport any explosive in or affecting interstate or for-  
5 eign commerce or to receive or possess any explosive which  
6 has been shipped or transported in or affecting interstate  
7 or foreign commerce—

8           (1) if, in the case of a qualified alien described  
9       in subsection (c)(1), the possession, shipment, or  
10       transportation by the alien of the explosive materials  
11       is in furtherance of such cooperation; or

12           (2) if, in the case of a qualified alien described  
13       in subsection (c)(2), the possession, shipment, or  
14       transportation by the alien of explosive materials is  
15       in furtherance of the authorized military purpose.

16       (c) QUALIFIED ALIEN DEFINED.—In this section,  
17 the term “qualified alien” means an alien—

18           (1) who is lawfully present in the United States  
19       in cooperation with the Director of Central Intel-  
20       ligence; or

21           (2) who is a member of a North Atlantic Treaty  
22       Organization (NATO), or other friendly foreign mili-  
23       tary force (as determined by the Attorney General  
24       with the concurrence of the Secretary of Defense)  
25       who is present in the United States under military

1 orders for training or other military purpose author-  
2 ized by the United States.

3 **SEC. 333. MODIFICATION OF PROHIBITION ON THE NATU-**  
4 **RALIZATION OF CERTAIN PERSONS.**

5 Section 313(e)(4) of the Immigration and Nationality  
6 Act (8 U.S.C. 1424(e)(4)) is amended—

7 (1) by inserting “when Department of Defense  
8 activities are relevant to the determination” after  
9 “Secretary of Defense”; and

10 (2) by inserting “and the Secretary of Home-  
11 land Security” after “Attorney General”.

12 **SEC. 334. MODIFICATION TO DEFINITION OF FINANCIAL IN-**  
13 **STITUTION IN THE RIGHT TO FINANCIAL PRI-**  
14 **VACY ACT.**

15 (a) IN GENERAL.—Section 1101(1) of the Right to  
16 Financial Privacy Act of 1978 (12 U.S.C. 3401(1)) is  
17 amended by inserting “, except as provided in section  
18 1114,” before “means any office”.

19 (b) DEFINITION.—Section 1114 of such Act (12  
20 U.S.C. 3414) is amended by adding at the end the fol-  
21 lowing:

22 “(c) For purposes of this section, the term ‘financial  
23 institution’ has the same meaning as in section 5312(a)(2)  
24 of title 31, United States Code, except that, for purposes  
25 of this section, such term shall include only such a finan-

1 cial institution any part of which is located inside any  
 2 State or territory of the United States, the District of Co-  
 3 lumbia, Puerto Rico, Guam, American Samoa, or the  
 4 United States Virgin Islands.”.

5 **SEC. 335. PROCEDURAL REQUIREMENTS FOR CENTRAL IN-**  
 6 **TELLIGENCE AGENCY RELATING TO PROD-**  
 7 **UCTS OF FEDERAL PRISON INDUSTRIES.**

8 The Central Intelligence Agency Act of 1949 (50  
 9 U.S.C. 403a et seq.) is amended by adding at the end the  
 10 following new section:

11 “PROCEDURAL REQUIREMENTS FOR CENTRAL INTEL-  
 12 LIGENCE AGENCY RELATING TO PRODUCTS OF FED-  
 13 ERAL PRISON INDUSTRIES

14 “SEC. 23. (a) MARKET RESEARCH.—Before pur-  
 15 chasing a product listed in the latest edition of the Federal  
 16 Prison Industries catalog under section 4124(d) of title  
 17 18, United States Code, the Director shall conduct market  
 18 research to determine whether the Federal Prison Indus-  
 19 tries product is comparable to products available from the  
 20 private sector that best meet the Agency’s needs in terms  
 21 of price, quality, and time of delivery.

22 “(b) COMPETITION REQUIREMENT.—If the Director  
 23 determines that a Federal Prison Industries product is not  
 24 comparable in price, quality, or time of delivery to prod-  
 25 ucts available from the private sector that best meet the  
 26 Agency’s needs in terms of price, quality, and time of de-

1 livery, the Director shall use competitive procedures for  
2 the procurement of the product or shall make an indi-  
3 vidual purchase under a multiple award contract. In con-  
4 ducting such a competition or making such a purchase,  
5 the Director shall consider a timely offer from Federal  
6 Prison Industries.

7 “(c) IMPLEMENTATION BY DIRECTOR.—The Director  
8 shall ensure that—

9 “(1) the Agency does not purchase a Federal  
10 Prison Industries product or service unless a con-  
11 tracting officer of the Agency determines that the  
12 product or service is comparable to products or serv-  
13 ices available from the private sector that best meet  
14 the Agency’s needs in terms of price, quality, and  
15 time of delivery; and

16 “(2) Federal Prison Industries performs its  
17 contractual obligations to the same extent as any  
18 other contractor for the Agency.

19 “(d) MARKET RESEARCH DETERMINATION NOT  
20 SUBJECT TO REVIEW.—A determination by a contracting  
21 officer regarding whether a product or service offered by  
22 Federal Prison Industries is comparable to products or  
23 services available from the private sector that best meet  
24 the Agency’s needs in terms of price, quality, and time

1 of delivery shall not be subject to review pursuant to sec-  
2 tion 4124(b) of title 18.

3 “(e) PERFORMANCE AS A SUBCONTRACTOR.—(1) A  
4 contractor or potential contractor of the Agency may not  
5 be required to use Federal Prison Industries as a subcon-  
6 tractor or supplier of products or provider of services for  
7 the performance of a contract of the Agency by any  
8 means, including means such as—

9 “(A) a contract solicitation provision requiring  
10 a contractor to offer to make use of products or  
11 services of Federal Prison Industries in the perform-  
12 ance of the contract;

13 “(B) a contract specification requiring the con-  
14 tractor to use specific products or services (or class-  
15 es of products or services) offered by Federal Prison  
16 Industries in the performance of the contract; or

17 “(C) any contract modification directing the use  
18 of products or services of Federal Prison Industries  
19 in the performance of the contract.

20 “(2) In this subsection, the term ‘contractor’, with  
21 respect to a contract, includes a subcontractor at any tier  
22 under the contract.

23 “(f) PROTECTION OF CLASSIFIED AND SENSITIVE  
24 INFORMATION.—The Director may not enter into any con-

1 tract with Federal Prison Industries under which an in-  
2 mate worker would have access to—

3 “(1) any data that is classified;

4 “(2) any geographic data regarding the location  
5 of—

6 “(A) surface and subsurface infrastructure  
7 providing communications or water or electrical  
8 power distribution;

9 “(B) pipelines for the distribution of nat-  
10 ural gas, bulk petroleum products, or other  
11 commodities; or

12 “(C) other utilities; or

13 “(3) any personal or financial information  
14 about any individual private citizen, including infor-  
15 mation relating to such person’s real property how-  
16 ever described, without the prior consent of the indi-  
17 vidual.

18 “(g) APPLICATION OF PROVISION.—This section is  
19 subject to the preceding provisions of this Act, and shall  
20 not be construed as affecting any right or duty of the Di-  
21 rector under those provisions.

22 “(h) DEFINITIONS.—In this section:

23 “(1) The terms ‘competitive procedures’ and  
24 ‘procurement’ have the meanings given such terms

1 in section 4 of the Office of Federal Procurement  
2 Policy Act (41 U.S.C. 403).

3 “(2) The term ‘market research’ means obtain-  
4 ing specific information about the price, quality, and  
5 time of delivery of products available in the private  
6 sector through a variety of means, which may  
7 include—

8 “(A) contacting knowledgeable individuals  
9 in government and industry;

10 “(B) interactive communication among in-  
11 dustry, acquisition personnel, and customers;  
12 and

13 “(C) interchange meetings or pre-solicita-  
14 tion conferences with potential offerors.”.

15 **SEC. 336. IMPROVEMENT OF INFORMATION SHARING**  
16 **AMONG FEDERAL, STATE, AND LOCAL GOV-**  
17 **ERNMENT OFFICIALS.**

18 (a) PILOT PROJECT TO ENCOURAGE STATE AND  
19 LOCAL OFFICIALS, AS WELL AS REPRESENTATIVES OF  
20 CRITICAL INFRASTRUCTURE, TO COLLECT AND SHARE  
21 RELEVANT INFORMATION.—Section 892(c) of the Home-  
22 land Security Act of 2002 (Public Law 107–296; 6 U.S.C.  
23 482) is amended by adding at the end the following new  
24 paragraph:



1           “(3)(A) The Under Secretary for Information  
2           Analysis and Infrastructure Protection of the De-  
3           partment of Homeland Security, in consultation with  
4           the Director of Central Intelligence, may conduct  
5           projects in several cities to encourage officials of  
6           State and local government, as well as representa-  
7           tives of industries that comprise the critical infra-  
8           structure in those cities to lawfully collect and to  
9           pass on to the appropriate Federal officials informa-  
10          tion vital for the prevention of terrorist attacks  
11          against the United States.

12           “(B) The Director of Central Intelligence shall  
13          carry out any duty under this paragraph through  
14          the Director of the Terrorist Threat Integration  
15          Center.

16           “(C) Under the projects, training shall be pro-  
17          vided to such officials and representatives to—

18                   “(i) identify sources of potential threats  
19                   through such methods as the Secretary deter-  
20                   mines appropriate;

21                   “(ii) report information relating to such  
22                   potential threats to the appropriate Federal  
23                   agencies in the appropriate form and manner;  
24                   and

1           “(iii) assure that all reported information  
2           is systematically submitted to and passed on by  
3           the Department for use by appropriate Federal  
4           agencies.

5           “(D) The Under Secretary shall carry out the  
6           pilot project under this paragraph for a period of 3  
7           years.

8           “(E) Not later than 1 year after the implemen-  
9           tation of the pilot project, and annually thereafter,  
10          the Under Secretary shall submit to Congress a re-  
11          port on the pilot project conducted under this para-  
12          graph. Each such report shall include—

13                 “(i) an assessment of the effectiveness of  
14                 the project; and

15                 “(ii) recommendations on the continuation  
16                 of the project as well as any recommendations  
17                 to improve the effectiveness of information col-  
18                 lection and sharing by such officials and rep-  
19                 resentatives and the Federal Government.”.

20          (b) PILOT PROJECT TO TEST USE OF TEAR-LINE IN-  
21          TELLIGENCE REPORTS.—(1) Subtitle C of title II of the  
22          Homeland Security Act of 2002 (Public Law 107–296)  
23          is amended by adding at the end the following new section:

1   **“SEC. 226. PILOT PROJECT TO TEST USE OF TEAR-LINE IN-**  
2                   **TELLIGENCE REPORTS.**

3           “(a) **AUTHORITY.**—The Under Secretary for Infor-  
4   mation Analysis and Infrastructure Protection of the De-  
5   partment of Homeland Security, in consultation with the  
6   Director of Central Intelligence, may carry out a pilot pro-  
7   gram under which the Under Secretary may make intel-  
8   ligence information in the possession of the Department  
9   available to officials of State and local governments  
10  through the use of tear-line intelligence reports.

11          “(b) **TEAR-LINE INTELLIGENCE REPORTS DE-**  
12 **SCRIBED.**—For purpose of this section, a tear-line report  
13 is a report containing intelligence gathered by an agency  
14 or department of the United States that is in the posses-  
15 sion of the Department that is prepared in a manner such  
16 that information relating to intelligence sources and meth-  
17 ods is easily severable from the report to protect such  
18 sources and methods from disclosure. Such a report may  
19 be in a paper or an electronic format.

20          “(c) **DURATION OF PROJECT.**—The Under Secretary  
21 shall carry out the pilot project under this section for a  
22 period of 3 years.

23          “(d) **REPORTS TO CONGRESS.**—Not later than 1 year  
24 after the implementation of the pilot project, and annually  
25 thereafter, the Under Secretary shall submit to Congress

1 a report on the pilot project conducted under this section,  
 2 and shall include in the report an assessment of—

3 “(1) the effectiveness of the use of the tear-line  
 4 reports in providing intelligence information on a  
 5 timely basis to State and local authorities; and

6 “(2) if the use of such tear-line reports were to  
 7 be made permanent, whether additional safeguards  
 8 are needed with respect to the use of such reports.

9 “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
 10 are authorized to be appropriated to the Under Secretary  
 11 such sums as may be necessary to carry out this section.”.

12 (2) The table of contents in section 1(b) of such Act  
 13 is amended in subtitle C of title II by adding at the end  
 14 the following new item:

“Sec. 226. Pilot project to test use of tear-line intelligence reports.”.

15 (c) HOMELAND DEFENDER INTELLIGENCE TRAIN-  
 16 ING PROGRAM.—

17 (1) ESTABLISHMENT OF PROGRAM.—The Di-  
 18 rector of Central Intelligence may establish a com-  
 19 prehensive program of orientation and training to  
 20 qualified State and local officials in accessing and  
 21 using available resources of the intelligence commu-  
 22 nity (as defined in section 3(4) of the National Secu-  
 23 rity Act of 1947 (50 U.S.C. 401(4))).

24 (2) CONSULTATION.—Insofar as the Director  
 25 establishes the intelligence training program under

1 paragraph (1), the Director shall consult and coordi-  
2 nate with the director of the Federal Bureau of In-  
3 vestigation and the Secretary of Homeland Security  
4 on the development and administration of the pro-  
5 gram.

6 (3) PROGRAM GOALS.—Any intelligence training  
7 program established under paragraph (1) shall pro-  
8 vide qualified State and local officials instruction on  
9 the mission and roles of the intelligence community  
10 to promote more effective information sharing  
11 among Federal, State, and local officials to prevent  
12 terrorist attacks against the United States.

13 (4) CURRICULUM.—Insofar as the Director es-  
14 tablishes the intelligence training program under  
15 paragraph (1), the Director shall develop a cur-  
16 riculum for the program after consultation with  
17 qualified State and local officials. The curriculum  
18 shall include classroom instruction with respect to  
19 and orientation to the various elements of the intel-  
20 ligence community.

21 (5) REPORTS TO CONGRESS.—Not later than 1  
22 year after the initial implementation of the intel-  
23 ligence training program under paragraph (1), and  
24 annually thereafter, the Director shall submit to

1 Congress a report on the program. Each such report  
2 shall include—

3 (A) an assessment of the effectiveness of  
4 the project; and

5 (B) recommendations on the continuation  
6 of the project as well as any recommendations  
7 to improve the effectiveness of information col-  
8 lection and sharing by qualified officials and  
9 representatives and the Federal Government.

10 (6) QUALIFIED STATE AND LOCAL OFFICIALS  
11 DEFINED.—For purposes of this subsection, the  
12 term “qualified State and local officials” means offi-  
13 cials of State and local government agencies that Di-  
14 rector of Central Intelligence determines—

15 (A) have received appropriate security  
16 clearances from the Director of the Federal Bu-  
17 reau of Investigation for access to classified in-  
18 formation; and

19 (B) oversee or manage first responders or  
20 counterterrorism activities.

21 (7) AUTHORIZATION OF APPROPRIATIONS.—  
22 There is authorized to be appropriated to the Direc-  
23 tor such sums as are necessary to carry out the in-  
24 telligence training program under this subsection.

1 (d) ADVISORY COUNCILS.—(1) The Director of the  
2 Terrorist Threat Integration Center shall establish two  
3 advisory councils (described in paragraph (2)) to provide  
4 the Director such advice and recommendations as the Di-  
5 rector may require to effectively carry out the functions  
6 of the Center.

7 (2)(A) One advisory council shall have as its focus  
8 privacy and civil liberties issues.

9 (B) The other advisory council shall have as its focus  
10 State and local government information needs.

11 **SEC. 337. IMPROVEMENT OF RECRUITMENT, HIRING AND**  
12 **RETENTION OF ETHNIC AND CULTURAL MI-**  
13 **NORITIES IN THE INTELLIGENCE COMMU-**  
14 **NITY.**

15 (a) PILOT PROJECT TO IMPROVE DIVERSITY  
16 THROUGHOUT THE INTELLIGENCE COMMUNITY USING  
17 INNOVATIVE METHODOLOGIES FOR THE RECRUITMENT,  
18 HIRING AND RETENTION OF ETHNIC AND CULTURAL MI-  
19 NORITIES AND WOMEN WITH THE DIVERSITY OF SKILLS,  
20 LANGUAGES AND EXPERTISE REFLECTIVE OF THE CUR-  
21 RENT MISSION.—The Director of Central Intelligence  
22 shall carry out a pilot project under this section to test  
23 and evaluate alternative, innovative methods to recruit  
24 and hire for the intelligence community women and mi-

1 norities with diverse ethnic and cultural backgrounds,  
2 skills, language proficiency, and expertise.

3 (b) METHODS.—In carrying out the pilot project, the  
4 Director shall employ methods such as advertising in for-  
5 eign language newspapers in the United States, site visits  
6 to institutions with a high percentage of students who  
7 study English as a second language, and other methods  
8 that are not used by the Director under the DCI Diversity  
9 Strategic Plan to increase diversity of officers and employ-  
10 ees in the intelligence community.

11 (c) DURATION OF PROJECT.—The Director shall  
12 carry out the project under this section for a 3-year pe-  
13 riod.

14 (d) REPORT.—Not later than 2 years after the date  
15 the Director implements the pilot project under this sec-  
16 tion, the Director shall submit to Congress a report on  
17 the project. The report shall include—

18 (1) an assessment of the effectiveness of the  
19 project; and

20 (2) recommendations on the continuation of the  
21 project as well as for improving the effectiveness of  
22 the project in meeting the goals of increasing the re-  
23 cruiting and hiring of women and minorities within  
24 the intelligence community.



1       (e) DIVERSITY PLAN.—(1) Not later than February  
2 15, 2004, the Director of Central Intelligence shall submit  
3 to Congress a report which describes the plan of the Direc-  
4 tor, entitled the “DCI Diversity Strategic Plan”, and any  
5 subsequent revision to that plan, to increase diversity of  
6 officers and employees in the intelligence community, in-  
7 cluding the short- and long-term goals of the plan. The  
8 report shall also provide a detailed description of the  
9 progress that has been made by each element of the intel-  
10 ligence community in implementing the plan.

11       (2) In implementing the plan, the Director shall in-  
12 corporate innovative methods for the recruitment and hir-  
13 ing of women and minorities that the Director has deter-  
14 mined to be effective from the pilot project carried out  
15 under this section.

16       (f) DEFINITION.—In this section, the term “intel-  
17 ligence community” has the meaning given that term in  
18 section 3(4) of the National Security Act of 1947 (50  
19 U.S.C. 401(4)).

1     **Subtitle E—Reports and Technical**  
2                     **Amendments**

3     **SEC. 341. EXTENSION OF DEADLINE FOR FINAL REPORT OF**  
4                     **THE NATIONAL COMMISSION FOR THE RE-**  
5                     **VIEW OF THE RESEARCH AND DEVELOPMENT**  
6                     **PROGRAMS OF THE UNITED STATES INTEL-**  
7                     **LIGENCE COMMUNITY.**

8             (a) IN GENERAL.—Subsection (a) of section 1007 of  
9     the Intelligence Authorization Act for Fiscal Year 2003  
10    (Public Law 107–306; 50 U.S.C. 401 note; 116 Stat.  
11    2442) is amended by striking “September 1, 2003” and  
12    inserting “September 1, 2004”.

13            (b) EFFECTIVE DATE.—The amendment made by  
14    subsection (a) shall take effect as if included in the enact-  
15    ment of section 1007 of the Intelligence Authorization Act  
16    for Fiscal Year 2003.

17     **SEC. 342. MODIFICATION OF VARIOUS REPORTS REQUIRED**  
18                     **OF INTELLIGENCE COMMUNITY ELEMENTS.**

19            (a) REPORTS ON ACQUISITION OF TECHNOLOGY RE-  
20    LATING TO WEAPONS OF MASS DESTRUCTION AND AD-  
21    VANCED CONVENTIONAL MUNITIONS.—Subsection (b)(1)  
22    of section 721 of the Intelligence Authorization Act for  
23    Fiscal Year 1997 (Public Law 104–293; 110 Stat. 3474;  
24    50 U.S.C. 2366), as amended by section 811(b)(5)(C) of  
25    the Intelligence Authorization Act for Fiscal Year 2003

1 (Public Law 107–306; 116 Stat. 2424; 50 U.S.C. 2366),  
 2 is amended by striking “a semiannual” and inserting “an  
 3 annual”.

4 (b) PERIODIC AND SPECIAL REPORTS ON DISCLO-  
 5 SURE OF INTELLIGENCE INFORMATION TO UNITED NA-  
 6 TIONS.—Section 112(b)(1) of the National Security Act  
 7 of 1947 (50 U.S.C. 404g(b)(1)) is amended by striking  
 8 “semiannually” and inserting “annually”.

9 **SEC. 343. TECHNICAL AMENDMENTS.**

10 (a) NATIONAL SECURITY ACT OF 1947.—Section  
 11 112(d)(1) of the National Security Act of 1947 (50 U.S.C.  
 12 404g(d)(1)) is amended by striking “section 103(c)(6)”  
 13 and inserting “section 103(c)(7)”.

14 (b) CENTRAL INTELLIGENCE AGENCY ACT OF  
 15 1949.—(1) Section 6 of the Central Intelligence Agency  
 16 Act of 1949 (50 U.S.C. 403g) is amended by striking  
 17 “section 103(c)(6)” and inserting “section 103(c)(7)”.

18 (2) Section 15 of such Act (50 U.S.C. 403o) is  
 19 amended—

20 (A) in subsection (a)(1), by striking “special  
 21 policemen of the General Services Administration  
 22 perform under the first section of the Act entitled  
 23 ‘An Act to authorize the Federal Works Adminis-  
 24 trator or officials of the Federal Works Agency duly  
 25 authorized by him to appoint special policeman for

1 duty upon Federal property under the jurisdiction of  
2 the Federal Works Agency, and for other pur-  
3 poses' (40 U.S.C. 318),” and inserting “officers and  
4 agents of the Department of Homeland Security, as  
5 provided in section 1315(b)(2) of title 40, United  
6 States Code,”; and

7 (B) in subsection (b), by striking “the fourth  
8 section of the Act referred to in subsection (a) of  
9 this section (40 U.S.C. 318c)” and inserting “sec-  
10 tion 1315(c)(2) of title 40, United States Code”.

11 (c) NATIONAL SECURITY AGENCY ACT OF 1959.—  
12 Section 11 of the National Security Agency Act of 1959  
13 (50 U.S.C. 402 note) is amended—

14 (1) in subsection (a)(1), by striking “special po-  
15 licemen of the General Services Administration per-  
16 form under the first section of the Act entitled ‘An  
17 Act to authorize the Federal Works Administrator  
18 or officials of the Federal Works Agency duly au-  
19 thorized by him to appoint special policeman for  
20 duty upon Federal property under the jurisdiction of  
21 the Federal Works Agency, and for other pur-  
22 poses' (40 U.S.C. 318)” and inserting “officers and  
23 agents of the Department of Homeland Security, as  
24 provided in section 1315(b)(2) of title 40, United  
25 States Code,”; and

1           (2) in subsection (b), by striking “the fourth  
2           section of the Act referred to in subsection (a) (40  
3           U.S.C. 318c)” and inserting “section 1315(c)(2) of  
4           title 40, United States Code”.

5           (d) INTELLIGENCE AUTHORIZATION ACT FOR FISCAL  
6           YEAR 2003.—Section 343 of the Intelligence Authoriza-  
7           tion Act for Fiscal Year 2003 (Public Law 107–306; 116  
8           Stat. 2399; 50 U.S.C. 404n–2) is amended—

9           (1) in subsection (c), by striking “section  
10          103(c)(6) of the National Security Act of 1947 (50  
11          U.S.C. 403–3(c)(6))” and inserting “section  
12          103(c)(7) of the National Security Act of 1947 (50  
13          U.S.C. 403–3(c)(7))”; and

14          (2) in subsection (e)(2), by striking “section  
15          103(c)(6)” and inserting “section 103(c)(7)”.

16          (e) PUBLIC LAW 107–173.—Section 201(c)(3)(F) of  
17          the Enhanced Border Security and Visa Entry Reform Act  
18          of 2002 (Public Law 107–173; 116 Stat. 548; 8 U.S.C.  
19          1721(c)(3)(F)) is amended by striking “section 103(c)(6)  
20          of the National Security Act of 1947 (50 U.S.C. 403–  
21          3(c)(6))” and inserting “section 103(c)(7) of the National  
22          Security Act of 1947 (50 U.S.C. 403–3(c)(7))”.

23          (f) FEDERAL INFORMATION SECURITY MANAGE-  
24          MENT ACT OF 2002.—Section 3535(b)(1) of title 44,  
25          United States Code, as added by section 1001(b)(1) of the

1 Homeland Security Act of 2002 (Public Law 107–296),  
2 and section 3545(b)(1) of title 44, United States Code,  
3 as added by section 301(b)(1) of the E–Government Act  
4 of 2002 (Public Law 107–347), are each amended by in-  
5 serting “or any other law” after “1978”.

6 **SEC. 344. REPORT ON LESSONS LEARNED FROM MILITARY**  
7 **OPERATIONS IN IRAQ.**

8 (a) REPORT.—Not later than one year after the date  
9 of the enactment of this Act, the Director of Central Intel-  
10 ligence shall submit to the appropriate committees of Con-  
11 gress a report on the intelligence lessons learned as a re-  
12 sult of Operation Iraqi Freedom, including lessons relating  
13 to the following:

14 (1) The tasking, collection, processing, exploi-  
15 tation, analysis, and dissemination of intelligence.

16 (2) Accuracy, timeliness, and objectivity of in-  
17 telligence analysis.

18 (3) Intelligence support to policymakers and  
19 members of the Armed Forces in combat.

20 (4) Coordination of intelligence activities and  
21 operations with military operations.

22 (5) Strengths and limitations of intelligence  
23 systems and equipment.

24 (6) Such other matters as the Director con-  
25 siders appropriate.

1 (b) RECOMMENDATIONS.—The report under sub-  
 2 section (a) shall include such recommendations on im-  
 3 provement in the matters described in subsection (a) as  
 4 the Director considers appropriate.

5 (c) APPROPRIATE COMMITTEES OF CONGRESS DE-  
 6 FINED.—In this section, the term “appropriate commit-  
 7 tees of Congress” means—

8 (1) the Permanent Select Committee on Intel-  
 9 ligence and the Committee on Armed Services of the  
 10 House of Representatives; and

11 (2) the Select Committee on Intelligence and  
 12 the Committee on Armed Services of the Senate.

13 **SEC. 345. MODIFICATION OF TERRORIST IDENTIFICATION**  
 14 **CLASSIFICATION SYSTEM.**

15 (a) CERTIFICATION REQUIREMENT FOR CONSOLIDA-  
 16 TION OF WATCH LISTS.—Subsection (g)(1) of section 343  
 17 of the Intelligence Authorization Act for Fiscal Year 2003  
 18 (Public Law 107–306; 116 Stat. 2399; 50 U.S.C. 404n2)  
 19 is amended—

20 (1) by redesignating subparagraph (D) as sub-  
 21 paragraph (E);

22 (2) by inserting after subparagraph (C) the fol-  
 23 lowing new subparagraph:

24 “(D) Whether further consolidation or elimi-  
 25 nation of watch list databases in the departments

1 and agencies with access to the System would con-  
 2 tribute to the efficiency and effectiveness of the Sys-  
 3 tem in identifying individuals who are known or sus-  
 4 pected international terrorists.”; and

5 (3) in subparagraph (E), as so redesignated, by  
 6 adding at the end the following: “If the certification  
 7 under subparagraph (D) is in the positive, the steps  
 8 required to consolidate or eliminate such watch  
 9 lists.”.

10 (b) ESTABLISHMENT OF ADVISORY COUNCIL.—Sub-  
 11 section (b) of such section is amended by adding at the  
 12 end the following new paragraph:

13 “(4) The Director shall establish an advisory council  
 14 comprised of experts in the field of civil liberties and pri-  
 15 vacy issues to advise the Director on issues of civil liberties  
 16 and privacy as they relate to the maintenance of the Sys-  
 17 tem.”.

## 18 **TITLE IV—CENTRAL** 19 **INTELLIGENCE AGENCY**

20 **SEC. 401. PROTECTION FROM TORT LIABILITY FOR CER-**  
 21 **TAIN CENTRAL INTELLIGENCE AGENCY PER-**  
 22 **SONNEL.**

23 (a) IN GENERAL.—Section 15 of the Central Intel-  
 24 ligence Agency Act of 1949 (50 U.S.C. 403o) is amended  
 25 by adding at the end the following new subsection:



1       “(d)(1) Notwithstanding any other provision of law,  
2 any Agency personnel designated by the Director under  
3 subsection (a) shall be deemed for purposes of chapter 171  
4 of title 28, United States Code, or any other provision of  
5 law relating to tort liability, to be acting within the scope  
6 of their office or employment if the Agency personnel take  
7 reasonable action, which may include the use of force, to—

8               “(A) protect an individual in the presence of  
9 the Agency personnel from a crime of violence;

10              “(B) provide immediate assistance to an indi-  
11 vidual who has suffered or who is threatened with  
12 bodily harm; or

13              “(C) prevent the escape of any individual whom  
14 the Agency personnel reasonably believe to have  
15 committed a crime of violence in the presence of  
16 such personnel.

17       “(2) In this subsection, the term ‘crime of violence’  
18 has the meaning given that term in section 16 of title 18,  
19 United States Code.”.

20       (b) CONSTRUCTION.—Subsection (d) of section 15, as  
21 added by subsection (a), shall not be construed as affect-  
22 ing the authorities of the Attorney General under the Fed-  
23 eral Employees Liability Reform and Tort Compensation  
24 Act of 1988 (Public Law 100–694; 28 U.S.C. 2671, 2674,  
25 2679(b), 2679(d)).

1 **SEC. 402. REPEAL OF LIMITATION ON USE OF FUNDS IN**  
 2 **CENTRAL SERVICES WORKING CAPITAL**  
 3 **FUND.**

4 Section 21(f)(2) of the Central Intelligence Agency  
 5 Act of 1949 (50 U.S.C. 403u(f)(2)) is amended—

6 (1) in subparagraph (A), by striking “(A) Sub-  
 7 ject to subparagraph (B), the Director” and insert-  
 8 ing “The Director”; and

9 (2) by striking subparagraph (B).

10 **TITLE V—DEPARTMENT OF DE-**  
 11 **FENSE INTELLIGENCE MAT-**  
 12 **TERS**

13 **SEC. 501. USE OF FUNDS FOR COUNTERDRUG AND**  
 14 **COUNTERTERRORISM ACTIVITIES FOR CO-**  
 15 **LOMBIA.**

16 (a) EXTENSION OF AUTHORITY.—Subsection (a) of  
 17 section 501 of the Intelligence Authorization Act for Fis-  
 18 cal Year 2003 (Public Law 107–306; 116 Stat. 2404) is  
 19 amended by striking “for fiscal years 2002 and 2003” and  
 20 inserting “for each of fiscal years 2002 through 2005”.

21 (b) MODIFICATION.—(1) Subsection (e) of such sec-  
 22 tion is amended to read as follows:

23 “(e) PROHIBITION.—No United States Armed Forces  
 24 personnel, United States civilian employee or contractor  
 25 engaged by the United States will participate in any com-  
 26 bat operation in connection with assistance made available

1 under this section, except for the purpose of acting to pro-  
2 tect the life or the physical security of others, in self de-  
3 fense, or during the course of search and rescue oper-  
4 ations.”.

5 (c) TECHNICAL AMENDMENT.—Subsection (d) of  
6 such section is amended by striking “Sections 556, 567,  
7 and 568 of Public Law 107–115, section 8093 of the De-  
8 partment of Defense Appropriations Act, 2002,” and in-  
9 serting “Section 553 and the certification requirements of  
10 section 564(a)(2) of the Foreign Operations, Export Fi-  
11 nancing, and Related Programs Appropriations Act, 2003  
12 (division E of Public Law 108–7; 117 Stat. 200, 205),  
13 and section 8093 of the Department of Defense Appro-  
14 priations Act, 2003 (Public Law 107–248; 116 Stat.  
15 1558; 10 U.S.C. 182 note),”.

16 (d) EFFECTIVE DATE.—The amendments made by  
17 subsections (b) and (c) shall apply to assistance made  
18 available under such section 501 during fiscal years 2004  
19 and 2005.

1 **SEC. 502. AUTHORITY TO PROVIDE LIVING QUARTERS FOR**  
2 **CERTAIN STUDENTS IN COOPERATIVE AND**  
3 **SUMMER EDUCATION PROGRAMS OF THE NA-**  
4 **TIONAL SECURITY AGENCY.**

5 Section 2195 of title 10, United States Code, is  
6 amended by adding at the end the following new sub-  
7 section:

8 “(d)(1) The Director of the National Security Agency  
9 may provide a qualifying employee of a defense laboratory  
10 of that Agency with living quarters at no charge, or at  
11 a rate or charge prescribed by the Director by regulation,  
12 without regard to section 5911(c) of title 5.

13 “(2) In this subsection, the term ‘qualifying em-  
14 ployee’ means a student who is employed at the National  
15 Security Agency under—

16 “(A) a Student Educational Employment Pro-  
17 gram of the Agency conducted under this section or  
18 any other provision of law; or

19 “(B) a similar cooperative or summer education  
20 program of the Agency that meets the criteria for  
21 Federal cooperative or summer education programs  
22 prescribed by the Office of Personnel Management.”.

1 **SEC. 503. AUTHORITY FOR INTELLIGENCE COMMUNITY**  
2 **ELEMENTS OF DEPARTMENT OF DEFENSE TO**  
3 **AWARD PERSONAL SERVICE CONTRACTS.**

4 (a) IN GENERAL.—Subchapter I of chapter 21 of title  
5 10, United States Code, is amended by adding at the end  
6 the following new section:

7 **“§ 426. Personal services contracts: authority and**  
8 **limitations**

9 “(a) PERSONAL SERVICES.—(1) The Secretary of  
10 Defense may, notwithstanding section 3109 of title 5,  
11 enter into personal services contracts in the United States  
12 if the personal services directly support the mission of a  
13 defense intelligence component or counter-intelligence or-  
14 ganization.

15 “(2) The contracting officer for a personal services  
16 contract shall be responsible for ensuring that a personal  
17 services contract is the appropriate vehicle for carrying out  
18 the purpose of the contract.

19 “(b) DEFINITION.—In this section, the term ‘defense  
20 intelligence component’ means a component of the Depart-  
21 ment of Defense that is an element of the intelligence com-  
22 munity, as defined in section 3(4) of the National Security  
23 Act of 1947 (50 U.S.C. 401a(4)).”.

1 (b) CLERICAL AMENDMENT.—The table of sections  
 2 at the beginning of such subchapter is amended by adding  
 3 at the end the following new item:

“426. Personal services contracts: authority and limitations.”.

4 **SEC. 504. PROTECTION OF CERTAIN NATIONAL SECURITY**  
 5 **AGENCY PERSONNEL FROM TORT LIABILITY.**

6 Section 11 of the National Security Agency Act of  
 7 1959 (50 U.S.C. 402 note) is amended by adding at the  
 8 end the following new subsection:

9 “(d)(1) Notwithstanding any other provision of law,  
 10 agency personnel designated by the Director of the Na-  
 11 tional Security Agency under subsection (a) shall be con-  
 12 sidered for purposes of chapter 171 of title 28, United  
 13 States Code, or any other provision of law relating to tort  
 14 liability, to be acting within the scope of their office or  
 15 employment when such agency personnel take reasonable  
 16 action, which may include the use of force, to—

17 “(A) protect an individual in the presence of  
 18 such agency personnel from a crime of violence;

19 “(B) provide immediate assistance to an indi-  
 20 vidual who has suffered or who is threatened with  
 21 bodily harm; or

22 “(C) prevent the escape of any individual whom  
 23 such agency personnel reasonably believe to have  
 24 committed a crime of violence in the presence of  
 25 such agency personnel.

1 “(2) Paragraph (1) shall not affect the authorities  
2 of the Attorney General under section 2679(d)(1) of title  
3 28, United States Code.

4 “(3) In this subsection, the term ‘crime of violence’  
5 has the meaning given that term in section 16 of title 18,  
6 United States Code.”.

7 **SEC. 505. MEASUREMENT AND SIGNATURES INTELLIGENCE**  
8 **RESEARCH PROGRAM.**

9 (a) RESEARCH PROGRAM.—The Secretary of De-  
10 fense, acting through the Director of the Defense Intel-  
11 ligence Agency’s Directorate for MASINT and Technical  
12 Collection, shall carry out a program to incorporate the  
13 results of basic research on sensors into the measurement  
14 and signatures intelligence systems of the United States,  
15 to the extent the results of such research is applicable to  
16 such systems.

17 (b) PROGRAM COMPONENTS.—The program under  
18 subsection (a) shall review and assess both basic research  
19 on sensors and technologies conducted by the United  
20 States Government and by non-governmental entities. In  
21 carrying out the program, the Director shall protect intel-  
22 lectual property rights, maintain organizational flexibility,  
23 and establish research projects, funding levels, and poten-  
24 tial benefits in an equitable manner through Directorate.

1       (c) ADVISORY PANEL.—(1) The Director shall estab-  
2       lish an advisory panel to assist the Director in carrying  
3       out the program under subsection (a).

4       (2) The advisory panel shall be headed by the Direc-  
5       tor who shall determine the selection, review, and assess-  
6       ment of the research projects under the program.

7       (3)(A) The Director shall appoint as members of the  
8       advisory panel representatives of each entity of the  
9       MASINT community, and may appoint as such members  
10      representatives of national laboratories, universities, and  
11      private sector entities.

12      (B) For purposes of this subsection the term  
13      “MASINT community” means academic, professional, in-  
14      dustrial, and government entities that are committed to-  
15      wards the advancement of the sciences in measurement  
16      and signatures intelligence.

17      (C) The term for a member of the advisory panel  
18      shall be established by the Director, but may not exceed  
19      a period of 5 consecutive years.

20      (D) Members of the advisory panel may not receive  
21      additional pay, allowances, or benefits by reason of their  
22      service on the advisory panel, but may receive per diem  
23      in lieu of subsistence, in accordance with applicable provi-  
24      sions under subchapter I of chapter 57 of title 5, United  
25      States Code.



- 1       (4) The Director may accept contributions from non-
- 2 governmental participants on the advisory panel to defray
- 3 the expenses of the advisory panel.

Passed the House of Representatives June 27 (legislative day, June 26), 2003.

Attest:

*Clerk.*



108TH CONGRESS  
1ST SESSION

# H. R. 2417

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## AN ACT

To authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.